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**From:**

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**Cc:**

**Subject:** RE: AAR

A capital contribution is a partnership item that must be determined at the partnership level. Treas. Reg. 301.6231(a)(3)-1(a)(4)(i) and -1(c)(2). [Nussdorf v. Commissioner](#), -- T.C.-- (2008).

The amount of the contribution can result in tax at the partner level. For instance, if cash is distributed to the partner by the partnership it will be taxable to the partner to the extent it exceeds the partner's outside basis (which is largely composed of contributions under section 705).

In other words, if distributions exceed contributions, the partner is taxable for the difference, and both the government and the taxpayer are bound by these amounts reflected on the original schedule K-1 absent an AAR (Form 8082) or a TEFRA proceeding to change these amounts.

So a Form 8082 (or substitute) would be required. The courts are split on whether a valid AAR can be filed without a Form 8082.